A Prize of War: A Painting of Fifteenth Century Merchants

There is in the city of Danzig on the Baltic Sea a medieval painting which is of unusual interest in the history of business. It is an altarpiece, the "Last Judgment" by Hans Memling, the inimitable fifteenth-century artist of the Low Countries.[1] Besides being a great work of art, this picture is in a sense an important business record. It is, moreover, in a real way a product of business; its origin was intimately tied in with international mercantile activity in the fifteenth century. War prevented the "Last Judgment" from occupying the place for which it was intended, and wars have continued to give it an insecure existence. The present conflict in Europe may result in another removal, possibly back to Bruges, the place of the activity of those medieval business men whom it is said to commemorate.

The altarpiece was painted in Bruges by order of Angelo Tani, a former manager of the local branch of the great Medici mercantile house of Florence, which had a number of branches with resident managers in the Mediterranean region and in western Europe. In the spring of 1473 it was put on one of two ships which were headed from Zeeland for Italy to be sent to the home city of the Medici.

The ship which carried the painting was one of two Burgundian galleys operated by the Medici. Those galleys had been built in Pisa for Philip the Good, Duke of Burgundy and ruler of the Low Countries, for use in a crusade against the Turks. By the time they were completed in 1464, the crusading project had been abandoned. The galleys were offered for sale, but the duke did not find a buyer. After the duke's death in 1467, his son and successor, Charles the Bold, came to terms with the Medici, who apparently

[1]Memling was born in Germany, but he became a citizen of Bruges in Flanders on January 30, 1465. The *poortersboeken,* or citizenship lists, give his name as *Jan van Mimnelinghe,* "son of Hermann, born in Seligenstadt" (near Frankfurt am Main). See Remi A. Parmentier, editor, *Indices op de Brugsche poortersboeken* (Bruges, 1938), pp. xxxvi, 630.

had advanced money for the building of the two ships. It is not clear whether they purchased or chartered the galleys, but from 1467 onward the Medici operated them under the Burgundian banner on regular voyages between Pisa and the Low Countries and on occasional trips from Pisa to Constantinople.

All went well with the galleys until the fateful trip in the spring of 1473, when one of them had Memling's "Last Judgment" on board. The two ships set out for Italy from Flanders with a rich assortment of woolens, linens, tapestries, and furs, besides two altarpieces, one of which is the subject of this story. They were going to stop at Southampton to unload alum from the papal mines at Tolfa, a Medici concession, and to take on a cargo of English wool.

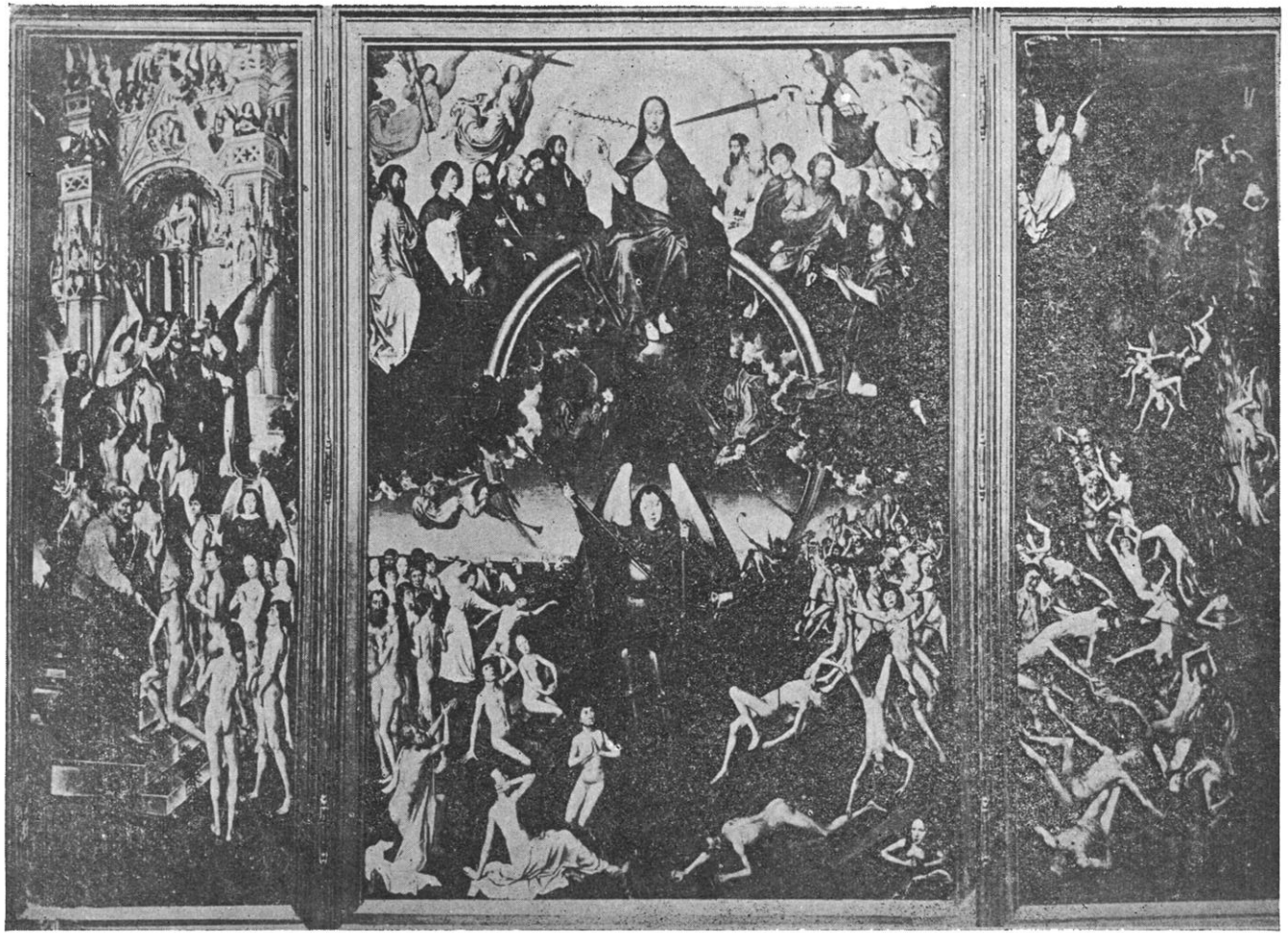
After a safe crossing of the North Sea, just as they were approaching the cliffs of England, the galleys were attacked by a Danzig corsair, Paul Beneke. "Tough Seabird," as he was called by his countrymen, Beneke had already captured the Mayor of London, whom he had held for a pretty ransom. In the stiff fight with the corsair one of the galleys escaped, but the one carrying Memling's painting was boarded by the Easterlings.[2] Of the many Florentine merchants on board, eight were killed during the assault. The corsairs brought the Burgundian galley and an English prize safely into the Baltic and to the home port of Danzig.

Why had the Easterlings attacked these galleys? The Hanseatic city was at war with England and was sending out corsairs to capture ships bound for England as well as English vessels. Enmity between England and Danzig had existed for some time because of English attempts to trade directly with Prussia, Poland, and Riga, and finally it resulted in open warfare between England and the entire Hanseatic League.

When news of the seizure reached Bruges, there was great excitement among the merchants and at the Burgundian court. The ship was insured,[3] but how many underwriters there were, or who they all were, is not known. A Florentine merchant-banker, Bernardo di Giovanni Cambi, is known to have frequently under-

[2]This term was used for Germans from the Hanseatic cities: Bremen, Hamburg, Lübeck, Rostock, Danzig, etc.

[3]Although life insurance was in its early stage of development and was still a gamble, marine insurance, since the risk could be computed with a fair degree of accuracy, was looked upon as a rather sound business proposition.



THE LAST JUDGMENT. by HANS MEMLING

written insurance on the two galleys for 150 or 200 florins at a time (a florin had a purchasing power of about $10). The premiums were paid in advance, at the rate of 4 per cent on the voyage between Pisa and the Lowlands. We know that Cambi had underwritten the two galleys in April, 1473, for 150 florins and that on July 1 he paid 90 florins because of the loss of the one galley.[4]

Although the seized galley was insured—but probably not fully—the Medici and their representative in Bruges, Tommaso Portinari, tried in every possible way to recover the ship and part of the cargo. They wielded considerable influence at the court but less with the municipal authorities in Bruges. Duke Charles the Bold protested against the insult to his flag and ordered in reprisal the seizure of goods belonging to all Hanseatic merchants in Flanders. But his orders were not put into effect; the Hansa cleverly succeeded in delaying action with the support of the local authorities who feared the loss of trade if the Hansards should withdraw as they had done on previous occasions. The German merchants in Bruges were difficult to deal with, often making unfair demands and frequently feeling unjustly abused, even when they were in the wrong.[5]

Tommaso Portinari urged the Medici in Florence to make diplomatic protests. Representations were made not only to Danzig but also to Hamburg and Lübeck, the leading cities of the Hanseatic League.[6] Portinari went in person to Hamburg to

[4]Three account books for business affairs of Bernardo di Giovanni Cambi are extant in the private collection of the late Prince Piero Ginori Conti of Florence. The last one, for the years 1470-90, contains the data relating to the Burgundian galleys. Some of the insurance was on the cargo, but at least one entry refers to insurance on the body and the freight collectible at destination *(sopra corpo e nolo)*.

[5]For example, in the fourteenth century, the Hansards expected the city of Bruges to be responsible for any money which they had entrusted to brokers and innkeepers who went bankrupt. No other merchants made such a demand. The city contended that it was responsible only for money on deposit with the money-changers, who were required to give surety. It suggested that the German merchants open accounts with the transfer banks operated by the money-changers, as other foreign merchants were doing, instead of entrusting their funds to innkeepers and brokers over whom the city had little or no control.

[6]The Hanseatic League was originally an association of traveling merchants from certain North German cities. Gradually it changed into a political

demand that pressure be brought to bear on Danzig for the return of the stolen goods. The magistrates of Hamburg and Lübeck tried (or so they claimed) to persuade those of Danzig to restore the galley and that part of its cargo which was bound for Italy.[7] According to the rules of war, a belligerent had the right to seize any goods destined for the enemy, even when carried on a neutral vessel, but the right to seize cargo not going to England was called into question by the Medici and their supporters, among them Pope Sixtus IV, who sent a papal legate to back the Florentine demands.

To the first demands, the magistrates of Danzig replied that the galley was really an English ship sailing under false colors, a contention which could easily be disproved. Nevertheless, the Danzig magistrates continued to turn a deaf ear to all requests for the return of the goods or for the payment of damages. Hamburg and Lübeck tried to convey the impression that they were doing everything possible to persuade Danzig to make amends—they forbade the sale of any of the stolen goods in their cities. But this meant little, because—in the words of Cristofano Spini, an emissary of the Florentine government to the Hansa—"the prohibition was observed by day but not by night." Documents of the Hansa have revealed that Hamburg and Lübeck, believing that in time the matter would be dropped by Burgundy, Florence, and the pope, abetted Danzig in her stubborn position.

The Hanseatic League reckoned without the equally stubborn persistence of Tommaso Portinari. He was determined to press the matter at all costs and by all means. In the midst of the negotiations, Charles the Bold was killed in the battle of Nancy (January, 1477). But Portinari seized the first opportunity to appeal to Maximilian of Austria, husband of Mary of Burgundy, the heiress of Charles the Bold. The Medici had the Signoria of Florence send letters to the kings of Poland and Hungary, the duke of Cleves, the bishops of Bremen and Münster, and again to the consuls of the Hansa in Hamburg and Lübeck, and to the city of Danzig.

federation of cities. Although that change was not complete until the sixteenth century, it is customary to refer to the cities, and not just their merchants, as members of the Hansa in the fifteenth century. See W. Vogel, "La Hanse d'après des publications récentes," *Revue historique,* vol. clxxix (1937), pp. 1-33.

[7]Portinari estimated that the alum carried by the galley was worth about 40,000 gold florins and the other goods another 40,000 florins.

All these steps failed to yield any results. But Portinari did not give up. Since diplomacy had failed, he decided to go to law and started proceedings before the Grand Council of Malines, which was the supreme court of justice in the Low Countries.[8] Finally, in 1496, the Grand Council awarded Portinari 6,000 florins for the loss of the galley and 40,000 écus (or about 32,000 florins) for the cargo, minus the alum. Portinari promptly secured a warrant to execute this decision. On the strength of the document, he proceeded to seize the goods of Hanseatic merchants residing in Bruges or going to the fairs of Antwerp. Thereupon, the Hansards used the threat of reprisals and notified the city of Bruges that they would withdraw from Flanders and establish residence elsewhere, unless Portinari desisted from seizing their goods.

This threat of withdrawal so frightened the Bruges officials that they decided to settle Portinari's claim and thus put an end to the dispute which had now lasted for close to twenty-five years. In the meantime, in 1497, Portinari had returned to Florence after selling to two nephews his claims, in order to raise badly needed cash.[9] An agreement was finally concluded between the magistrates of Bruges and Portinari's nephews, who surrendered all their claims in exchange for a payment of 16,000 florins.

One of the reasons for Portinari's persistence in the suit against Danzig was his desire to recover the stolen paintings, especially the one by Memling. We do not know the painter of the other

[8]It is likely that Portinari started these proceedings in his own name, because the Medici had withdrawn entirely from their partnership with him in 1481. All contingent claims were apparently taken over by Portinari. Other claimants, e.g., shippers such as Tani and Sassetti, or underwriters such as Cambi, are not mentioned in the documents connected with the lawsuit.

[9]On Portinari's financial difficulties, see F. E. de Roover, "Francesco Sassetti and the Downfall of the Medici Banking House," BULLETIN OF THE BUSINESS HISTORICAL SOCIETY, vol. xvii, no. 4 (Oct., 1943), p. 76. For the complete bibliography on this famous case of privateering, including the references to the documents published in the *Hanserecesse,* see Goswin von der Ropp, "Zur Geschichte des Alaunhandels im 15. Jahrhundert," *Hansische Geschichtsblätter,* vol. vi (1900), pp. 119-136; Otto Meltzing, "Tommaso Portinari und sein Konflikt mit der Hanse," *ibid.,* vol. xii (1906), pp. 101-123; Armand Grunzweig, *Correspondance de la filiale de Bruges des Medici,* Part I (Brussels, 1931), pp. xxi ff. Cf. M. M. Postan, "The Economic and Political Relations of England and the Hanse from 1400 to 1475," in *Studies in English Trade in the Fifteenth Century,* edited by Eileen Power and M. M. Postan (New York, 1933), pp. 96 ff., 130 ff.

altarpiece nor what became of it. But there were sufficient reasons —beyond the money value or the general artistic value of the work—why Portinari should have had a special interest in the one picture, an interest which students of business history today share with him.[10]

The general composition of the painting can be seen in the small reproduction on page 5. The "Last Judgment," which is a triptych, represents Christ, seated on a rainbow, surrounded by the Virgin Mary, John the Baptist, and the twelve Apostles. Below, the Archangel Michael holds the Judgment scales on which he is weighing individuals to determine their fate in the after-life. Those who are found too light are cast by devils into the eternal flames, while the righteous are welcomed by St. Peter at the gates of paradise.

That is all according to the artistic conventions, the religious beliefs, and the symbolism of the time, but the unique value of the painting to business history lies in the fact that some of the figures in it have been identified as merchants. On the reverse of the side panels—not visible when the triptych is open—are the portraits of the donors, Angelo Tani and his wife, Caterina Tanagli, kneeling in a reverent attitude, with their family coats-of-arms beside them. Tani is at the foot of a statue of the Virgin Mary; his wife is below a statue of St. Michael, evidently Tani's patron saint.[11]

Tani, as stated above, was at one time the manager of the Bruges branch of the Medici, and it was he who, on a trip to Bruges for the Medici, in 1467-68, commissioned Hans Memling to paint the "Last Judgment." The subject indicates that the picture was intended as a gift to a church, probably to be placed in the funeral chapel of the Tani family in Florence, but its seizure by the Danzig corsairs prevented it from reaching its destination.

Art critics are of the opinion that many of the nude figures in the central and left panels are real portraits of Florentine merchants resident in Bruges. Portinari has been identified as the man kneeling reverently in the right scale of the balance held

[10]In the itemized account of the cargo which Portinari presented to the Grand Council of Malines in 1496 the altarpieces are valued at 870 gold florins: "deux tables d'aultez fort belles et riches en valeur de 870 florins d'or." *Hanserecesse von 1477-1530*, vol. iii (Leipzig, 1888), No. 676, p. 504.
[11]A. Warburg, who identified the donors by their coats-of-arms, gives their pictures in his article, "Flandrische Kunst und florentische Frührenaissance," *Gesammelte Schriften*, vol. i (Leipzig, 1932), opp. p. 192.

by Archangel Michael. There can be no question about this identification, after one compares the features of this man with the portrait of Portinari, also painted by Memling, which is in the Metropolitan Museum of Fine Arts in New York, or with the other portrait of Portinari by Hugo van der Goes. The woman in the foreground shows some resemblance to Portinari's wife. Pierantonio Baroncelli, the Bruges representative of the Pazzi firm of Florence, has been identified among the group to the right of the Archangel in the central panel.

It may seem odd that well-known merchants would allow themselves to be painted in the nude on an altarpiece. But medieval people were sometimes crude and unsophisticated. Whatever one may think about this matter of taste, Memling's "Last Judgment" is of special significance because it reveals that the general atmosphere was becoming more favorable to business and that trade was ceasing to be considered a calling which endangered the salvation of the soul. One does not have to examine the picture very closely in order to locate several tonsured monks among the damned who are being thrown by devils into the pits of hell. Although the Church has always contended that unworthy priests would not escape eternal punishment, one is nevertheless surprised to find an altarpiece in which merchants are represented on their way to paradise, while several monks are being cast into hell. It is true that in the fifteenth century there was much criticism of the scandalous conduct of numerous monks and priests and that respect for the clergy was rapidly waning. However, since the Church condemned the taking of interest as usury, why should bankers not be considered "public sinners" in the same pale as the priests who lived publicly with concubines?

The explanation of this apparent riddle is that the Florentine merchant-bankers of Bruges probably did not consider themselves usurers and would have vigorously denied that they lent money at interest or usury. In the Middle Ages, only "lombards"—pawnbrokers and other money-lenders of this type—were branded as "manifest usurers" and "public sinners." The profession of foreign banker was not regarded as dishonorable. It consisted mainly in the purchase of bills of exchange. Such a purchase involved a credit transaction as well as an exchange transaction, since the buyer of a bill gave a certain sum of money in exchange for a document which was payable at a future date, in a different

place, and in a different kind of currency. The rate of exchange determined the price at which bills were bought and sold. It is true that the exchange rates included interest. But the merchant-bankers argued—and the Church accepted their views—that exchange rates fluctuated according to the law of supply and demand and "the abundance or scarcity of money." Exchange dealings, therefore, did not involve any usury, since the profit on them was uncertain and depended upon the unpredictable swing of the foreign-exchange rates. Banking thus did not fall within the scope of the usury prohibition which forbade only the taking of interest on a *mutuum,* that is to say, a loan of money without adventure of the principal.

The purpose of Angelo Tani in ordering the "Last Judgment" was probably to enrich Florence, his native city, with a fine example of Flemish art. It was evidently considered appropriate to include the portraits of the Florentine colony in Bruges. In Florence the activities of such colonies were considered highly beneficial to the commonwealth, and the republic prided itself on the extensive business connections of its citizens.

Unfortunately, as we know, the "Last Judgment" never reached its destination. Instead, it was taken to Danzig by Paul Beneke, the privateer, who handed over the Memling altarpiece to the three owners of his ship, as part of their share in the booty. They probably gave it to the Church of St. Mary (Marienkirche). It became a prized possession of the Danzig church and remained there until 1806. Then, again, it became a victim of war. In that year, after the Prussians had lost the battle of Jena, French troops occupied Danzig. The picture was seized in partial payment of the war indemnity which Napoleon exacted from Prussia. The people of Danzig recovered the painting in 1814, when the Prussian army in control of Paris forced the doors of the Louvre and compelled the French to surrender the "loot." The "act of piracy" committed by the French in 1806 was duly commemorated by an "appropriate" inscription on the frame of the altarpiece,[12] the Germans of Danzig conveniently forgetting that the painting was

[12]The German inscription reads: *Als das ewige Gericht des Kleinods Räuber ergriffen [war], Gab der gerechte Monarch uns das Erkämpfte zurück* ("When the 'Last Judgment' was taken from the jewel's robbers, the just monarch [the king of Prussia] gave back to us that which had been violently seized.")

stolen from a Burgundian galley in the fifteenth century and that they had been the first to commit an "act of piracy."

Perhaps the time has now come to return the "Last Judgment" to its rightful owner, the city of Bruges, which partially indemnified Portinari for the loss of the Burgundian galley and its cargo. If this is done, the picture will return, after 450 years of sojourn and adventure among its robbers and their descendants, to the city where resided the painter who created this great work of art and the merchants whose likenesses it bears. There it would fittingly commemorate the men and the business that made Bruges an important market in the great international trade of the fifteenth century.

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Selections from the Autobiography of Thomas Mellon—II

At the end of the selections from Mellon's autobiography published in the December issue of the BULLETIN, the author, having put his new banking house in order, was off on a trip to New Orleans. The present BULLETIN carries his narrative forward from the time of his return until 1884, when his autobiography ends.

The general thread of interest which runs through the story of business experience from 1872 to 1884 is that of panic, liquidation, and recovery. The author gives an unusually good account of what happened during the panic, and he also tries to explain the coming of the panic of 1873 and the severe liquidation which followed.

These selections from Mellon's autobiography should be of special interest in our time. Here is the story of a great panic which came after a postwar boom. The description of pyramiding loans for speculative purposes is reminiscent of the 1920's, and a